

DAVID Y. IGE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the House Committee on  
ENERGY & ENVIRONMENTAL PROTECTION**

**Tuesday, February 1, 2022  
9:00 AM**

**State Capitol Conference Room 325, Via Videoconference**

**In consideration of  
HOUSE BILL 1808  
RELATING TO GEOTHERMAL ROYALTIES**

House Bill 1808 proposes to: (1) Increase the percentage of royalties received by the State from geothermal resources that are to be paid to the county in which the geothermal resources are located, (2) Require the royalties paid to a county to be used for further geothermal resources discovery and development, and (3) Require the county to submit an annual report to the Legislature. **While the Department of Land and Natural Resources (Department) acknowledges the overall intent of this bill, the Department respectfully opposes this measure.**

Currently, the Department is tasked with handling all of the leasing, lease management duties, and regulation of geothermal mining. In exchange, the State receives 50% of the geothermal royalties while the remaining proceeds are allocated as follows: 30% to the County of Hawaii, and 20% to the Office of Hawaiian Affairs. This measure proposes to increase in the county's share of royalties received by the State from geothermal resources from 30% to 60%, provided that the county's share be used for the purposes of further geothermal resources discovery and development, resulting in a corresponding decrease of the State's share of the royalties received from 50% to 20% without any reduction in the Department's regulatory obligations regarding geothermal mining and permitting.

Geothermal royalties received by the Department are deposited into its Special Land and Development Fund (SLDF) which is utilized to fund critical Departmental programs including the Mineral Resources Program. The Mineral Resources Program's role is to carry out the regulatory functions to oversee, permit, and manage our statewide mineral resources, including geothermal resources. Pursuant to Chapter 182, Hawaii Revised Statutes (HRS), the Department has a statutory obligation to protect and manage the exploration and use of the geothermal resource, as it is held in public trust. Any reduction to the State's share of royalties would result

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COMMISSION ON WATER RESOURCE MANAGEMENT

**ROBERT K. MASUDA**  
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in a shortfall of funding for the mineral resources program and a significant impact to the Department's ability to safely regulate and oversee well drilling operations and manage the mining and leasing of geothermal resources. Additionally, expanding geothermal development may require additional resources for the Department to ensure the protection of the resource, environment and public health and safety.

The revenues from public lands, including the geothermal royalties, are deposited into the SLDF and funds the entire annual operating budget for the Department's Land Division, the Office of Conservation and Coastal Lands, and the Dam Safety Program in addition to the Mineral Resources Programs as noted previously. These revenues also fund over 80 Department staff positions, including 5 positions within the Commission on Water Resource Management, and provide funding support to the Division of State Parks and various resource protection programs administered by the Division of Forestry and Wildlife such as the protection of threatened and endangered species, removal of invasive species, wildland firefighting and lifeguard services. Revenues collected by other divisions have supported watershed protection, preservation of cultural and historical sites and public recreational resources. In addition, the Department has provided lands to other agencies in support of a variety of agricultural, educational, transportation and affordable housing projects, often at the expense of generating revenue to support its own programs.

Although geothermal development may be a component of Hawaii's Clean Energy Goals, we defer to the Department of Business and Economic Development and Tourism's Energy Office and the County of Hawaii on their position to promote further geothermal exploration and development.

Thank you for the opportunity to testify on this measure.

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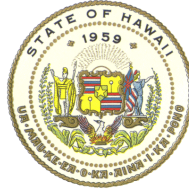
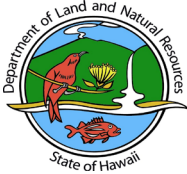
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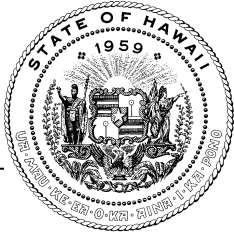
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# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE  
GOVERNOR

SCOTT J. GLENN  
CHIEF ENERGY OFFICER

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Testimony of  
**SCOTT J. GLENN, Chief Energy Officer**

before the  
**HOUSE Committee on ENERGY and ENVIRONMENTAL PROTECTION**

Tuesday, February 1, 2022  
9:00 AM

State Capitol, Conference Room 325 Via Videoconference

in CONSIDERATION of  
**HB 1808**  
**RELATING TO GEOTHERMAL ROYALTIES.**

Chair Lowen, Vice Chair Marten, and Members of the Committee, the Hawaii State Energy Office (HSEO) offers comments on HB 1808, which increases the percentage of royalties received by the State from geothermal resources that are to be paid to the county in which the geothermal resources are located, requires the royalties paid to a county to be used for further geothermal resources discovery and development, and requires the county to submit an annual report to the Legislature.

HSEO's comments are guided by its mission to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient, clean energy, decarbonized economy.

HSEO believes geothermal energy can play a significant role in achieving 100% renewable energy generation statewide and supports incentives for its development. Royalties from geothermal development play an important role in its regulation and the administration of state and county programs related to geothermal.

HSEO defers to the appropriate agencies for comment on the fiscal, administrative, and regulatory impacts of this proposal.

Thank you for the opportunity to testify.



P.O. Box 37158, Honolulu, Hawai'i 96837-0158  
Phone: 927-0709 henry.lifeoftheland@gmail.com

## COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Nicole E. Lowen, Chair  
Rep. Lisa Marten, Vice Chair

DATE: Tuesday, February 1, 2022  
TIME: 9:00AM

### **HB 1808 Relating to Geothermal Royalties**

**OPPOSE**

Aloha Chair Lowen, Vice Chair Marten, and Members of the Committee

Life of the Land is Hawai'i's own energy, environmental and community action group advocating for the people and `aina for 52 years. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

The bill supports geothermal expansion. Geothermal facilities have very low lifecycle greenhouse gas emissions.

However, the bill does not address geographic diversification, community health concerns, environmental issues, cultural issues, and does not provide reasonable conditions for new geothermal systems. It simply gives the County administration more money to advance geothermal.

Mahalo  
Henry Curtis,  
Executive Director





**Testimony to the Committee on Energy, Economic Development, and Tourism**

**Tuesday, February 1, 2022**

**9:00 AM**

**VIA Video Conference**

**Conference Room 325, Hawaii State Capitol**

**HB 1808**

Chair Lowen, Vice Chair Marten, and members of the committee,

Hawaii Clean Power Alliance (HCPA) **offers comments on** HB 1808, which increases the percentage of royalties received by the State from geothermal resources that are to be paid to the county in which the geothermal resources are located. Requires the royalties paid to a county to be used for further geothermal resources discovery and development. Requires the county to submit an annual report to the legislature.

Hawaii Clean Power Alliance is a nonprofit alliance organized to advance and sustain the development of clean energy in Hawaii. Our goal is to support the state's policy goal of 100 percent renewable energy by 2045. We advocate for utility-scale renewable energy, which is critical to meeting the state's clean energy and carbon reduction goals.

HCPA fully supports the concept for further resource discovery and development for geothermal, a firm power source that can be tremendously valuable to our diverse clean energy portfolio. We defer to the state and counties, however, on the discussion regarding royalty payments and allocations.

Thank you for the opportunity to testify.

**HB-1808**

Submitted on: 1/28/2022 9:36:15 PM

Testimony for EEP on 2/1/2022 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Richard Ha	Individual	Support	No

Comments:

Hawaii Island will be over the "hot spot" for 1 to 2 million years. There is heat and steam underground and its free for 1 to 2 million years. Put a pipe in the ground steam spins a turbine and you can make stable cost electricity for practically forever. Only 1%,of the world is so lucky.

We can duplicate lightning, with its electricity and high heat that can break the bonds of whats in the atmosphere into H2, O2 and NH3 ammonia. We can use the cheap green electricity and run it through water and get Hydrogen and Oxygen. Developing higher heat than just electricity, the hydrogen heat can take us to manufacturing of different things as well as transportation fuel. We owe it to future generations to get the geothermal resource evaluation done using the Royalty funds. The world has passed peak oil in 2018. We're sooner or later going down the backside of the oil production curve and we must be able to "bend and not break" to quote the very credible world thinker Nate Hagens.

**HB-1808**

Submitted on: 1/29/2022 1:02:52 PM

Testimony for EEP on 2/1/2022 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Douglas Perrine	Individual	Support	No

Comments:

Geothermal energy is a great underutilized resource which could provide great benefits to Hawaii as a firm non-carbon energy source, and also has the potential to be a huge money maker by converting the geothermal energy to products, such as liquified hydrogen, that can be exported. This measure should help to incentivize counties to promote development of new geothermal production facilities. However, measures are also needed to prevent the siting of such facilities close to dwellings, schools, or other facilities that may raise safety concerns or generate nuisance complaints.